



OFFICE OF
INSURANCE COMMISSIONER

8257 03/01/06

\$3,400.00

In the Matter of

MERCURY CASUALTY COMPANY,

An Authorized Insurer.

No. D 2006 - 59

CONSENT ORDER

Comes now the Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.01.020 and RCW 48.05.130-185, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following:

FINDINGS OF FACT

1. Mercury Casualty Company is an insurer holding a certificate of authority to transact insurance in the State of Washington, and is therefore governed by Title 48 RCW.
2. RCW 48.05.130-185 provides a process for addressing insurer violations of Title 48 Revised Code of Washington and Title 284 Washington Administrative Code.
3. RCW 48.05.250 requires each insurer, before the first day of March, to file a true statement of its financial condition, transactions, and affairs as of the thirty-first day of December preceding.
4. Chapter 284-07 WAC sets forth the form and requirements for filing financial statements for the year ended the immediately preceding December thirty-first. The commissioner sets a later due date for certain annual statement exhibits, schedules and supplements that are a part of the NAIC Quarterly and Annual Statement Instructions and NAIC Quarterly and Annual Statement Blank.
5. Mercury Casualty Company failed to file with the commissioner its annual financial statement supplemental electronic filing for the year ended December 31, 2004 by April 1, 2005.
6. Attached Exhibit A is incorporated herein for the purpose of identifying the date of Mercury Casualty Company's annual statement April supplemental filing.

Based upon the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. Mercury Casualty Company by and through the conduct described above has violated RCW 48.05.250 and Chapter 284-07 WAC by failing to timely file in proper form its annual statement April supplemental filing as of December 31, 2004.

2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of a certificate of authority.

3. Mercury Casualty Company committed the following violation of Washington law:

Mercury Casualty Company failed to timely file its annual financial statement April supplemental for the year ended December 31, 2004 in the form required by Chapter 284-07 WAC.

CONSENT TO ORDER

Mercury Casualty Company consents to entry of this Order, waives further administrative or judicial proceedings in this matter, and acknowledges its duty to comply fully with the applicable laws of the State of Washington. The Insurance Commissioner has offered a settlement in lieu of suspending or revoking the certificate of authority.

By agreement of the parties, the Insurance Commissioner will impose a fine of \$3400 on condition that:

1. Within thirty days, Mercury Casualty Company pays to the Insurance Commissioner the full amount of the fine;

2. Mercury Casualty Company commits no further violations of the statutes and regulations that are the subject of this Consent Order;

3. Mercury Casualty Company voluntarily consents to this order to resolve the issues and conduct described herein and with the understanding that the payment of the amount due is a condition to avoiding suspension or revocation of the Certificate of Authority.

EXECUTED this 28 day of February, 2006.


Signature

Corporate Controller
Title

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Mercury Casualty Company is ordered to pay a fine in the amount of \$3400 upon the condition that the Company fully complies with the laws and regulations of the State of Washington which are the subject of this Order; and
2. Upon failure to pay the fine within the time limit set forth above, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington, pursuant to RCW 48.05.185.

ENTERED TUMWATER, WASHINGTON this 7th day of March, ²⁰⁰⁶~~2005~~ RJP

MIKE KREIDLER
Insurance Commissioner

By: Ronald J. Pastuch for

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division